	<b>Notice of Request for Proposal</b>		<b>AHCCCS</b>  Arizona Health Care Cost Containment System  701 East Jefferson, MD 5700  Phoenix, Arizona 85034
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**Solicitation Contact Person:**

Mark Held  
Contract Management Specialist  
701 E. Jefferson St., MD 5700  
Phoenix, AZ 85034

Telephone: (602) 417-4094  
Telefax: (602) 417-5957  
E-Mail: Mark.Held@azahcccs.gov  
Issue Date: October 18, 2005

**LOCATION:** **ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION (AHCCCS)**  
Contracts and Purchasing Section (First Floor)  
701 E. Jefferson, MD5700  
Phoenix, Arizona 85034

**DESCRIPTION:** **COPPERx PRESCRIPTION DISCOUNT CARD PROGRAM**

**PROPOSAL DUE DATE:** **November 17, 2005** AT 3:00 P.M. MST

**Pre-Proposal Conference:** A Pre-Proposal Conference has been scheduled for **October 25, 2005, 11:00 – 1:00**, in the Gold Room, AHCCCS, 701 E. Jefferson, Phoenix, Arizona. The Pre-Proposal Conference shall start promptly at 11:00 AM (MST). Please bring a copy of this RFP, as it will be used as the agenda.

**QUESTIONS CONCERNING THIS SOLICITATION SHALL BE SUBMITTED TO THE SOLICITATION CONTACT PERSON NAMED ABOVE BY OCTOBER 26, 5:00 P.M. (MST) AT THE LATEST.**

In accordance with A.R.S. § 41-2534, which is incorporated herein by reference, competitive sealed proposals will be received at the above specified location, until the time and date cited. Proposals received by the correct time and date will be opened and the name of each offeror will be publicly read.


Proposals must be in the actual possession of AHCCCS on or prior to the time and date and at the location indicated above.

**Late proposals shall not be considered.**


Proposals must be submitted in a sealed envelope or package with the Solicitation Number and the offeror's name and address clearly indicated on the envelope or package. All proposals must be completed in ink or typewritten. Additional instructions for preparing a proposal are included in this solicitation document.

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the appropriate Procurement Agency. Requests should be made as early as possible to allow time to arrange the accommodation. A person requiring special accommodations may contact the solicitation contact person responsible for this procurement as identified above.

**OFFERORS ARE STRONGLY ENCOURAGED TO CAREFULLY READ THE ENTIRE SOLICITATION.**

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	<b>Offer and Acceptance</b>		<b>AHCCCS</b> Arizona Health Care Cost Containment System 701 E. Jefferson Street, MD 5700 Phoenix, Arizona 85034
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### OFFER

The undersigned Offeror hereby agrees to provide all services in accordance with the terms and requirements stated herein, including all exhibits, amendments, and best-and-final offers (if any). Signature also acknowledges receipt of all pages indicated in the Table of Content.

Arizona Transaction (Sales) Privilege Tax License No.:

For clarification of this offer, contact:

\_\_\_\_\_

Name: \_\_\_\_\_

Federal Employer Identification No.:

Phone: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Fax: \_\_\_\_\_

\_\_\_\_\_

Company Name

\_\_\_\_\_

Signature of Person Authorized to Sign Offer

\_\_\_\_\_

Address

\_\_\_\_\_

Printed Name

\_\_\_\_\_

City

State

Zip

\_\_\_\_\_

Title

### CERTIFICATION

By signature in the Offer section above, the bidder certifies:

1. The submission of the offer did not involve collusion or other anti-competitive practices.
2. The bidder shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, State Executive Order 99-4 or A.R.S. §§ 41-1461 through 1465.
3. The bidder has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer. Failure to provide a valid signature affirming the stipulations required by this clause shall result in rejection of the offer. Signing the offer with a false statement shall void the offer, any resulting contract and may be subject to legal remedies provided by law.
4. **The bidder certifies that the above referenced organization \_\_\_ is/ \_\_\_ is not a small business with less than 100 employees or has gross revenues of \$4 million or less.**

### ACCEPTANCE OF OFFER (to be completed by AHCCCS)


Your offer, including all exhibits, amendments and best-and-final offer (if any), contained herein, is accepted.

The Contractor is now bound to provide all services listed by the attached contract and based upon the solicitation, including all terms, conditions, specifications, amendments, etc., and the Contractor's Offer as accepted by AHCCCS.

This contract shall henceforth be referred to as Contract No. \_\_\_\_\_.

Awarded this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_

\_\_\_\_\_  
Michael Veit, as AHCCCS Contracting Officer and not personally

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## **COPPERx PRESCRIPTION DISCOUNT CARD PROGRAM**

### **1. Program Requirements:**

#### **1.1 Introduction:**


- 1.1.1 The Arizona Health Care Cost Containment System (AHCCCS) is seeking proposals from qualified offerors to implement a prescription drug discount card program comparable to the CoppeRx Card for Arizona's citizens. AHCCCS has the right to license the CoppeRx Card name to the entity selected through this solicitation for the discount prescription drug program.
- 1.1.2 The purpose is to provide a comprehensive network of retail pharmacies while obtaining the maximum discount available on prescription drugs. All items and services that comprise the CoppeRx prescription discount card program will be available to all Arizona residents regardless of age, income, or other criteria.

- 1.2 **Background:** Governor Janet Napolitano's Executive Order 2003-3 on January 7, 2003 established a prescription discount card program for Arizona residents enrolled in Medicare. The discount card was subsequently branded the CoppeRx Card and expanded to include nearly 1 million senior and disabled Arizonans. The CoppeRx Card has produced more than \$ 11.5 million in savings on the purchase of prescription drugs.

On January 1, 2006, Medicare will implement the Part D prescription drug benefit. While it is expected that Medicare Part D will offer a richer benefit to seniors than the CoppeRx Card, the CoppeRx Card will still be available to seniors and extended to non-Medicare eligible populations. Although every Arizonan will be eligible for the enhanced CoppeRx Card, the target population is nearly one million uninsured residents.

#### **1.3 Program Overview and Objectives:**

- 1.3.1 The general service requirements provided by the Contractor shall include, but not be limited to, the following:
  - 1.3.1.1 Obtain pharmaceutical manufacturer rebates, discounts and other remuneration on brand name and generic drugs, including mail order service, and pass an established percentage of the savings to members through the pharmacy network resulting in the greatest discount available. The State will not share in any portion of the discounts or rebates.
  - 1.3.1.2 Provide stable access to and an estimate of the average discounts on brand, generic, and maximum allowable cost (MAC) for all prescription drugs commonly needed by Arizona residents.

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- 1.3.1.3 Dispense prescription drugs in quantities of up to a ninety (90) days supply as ordered and appropriate, through a mail order service or at a retail pharmacy.
- 1.3.1.4 Appropriate prescription benefit management tools may be developed and implemented to conduct concurrent drug utilization review, encourage generic drug use, and to accomplish the greatest possible discount for members.
- 1.3.1.5 Enroll all eligible persons with a valid Arizona address who wish to participate.
- 1.3.1.6 Develop and maintain an adequate statewide pharmacy provider network to provide prescription drug services to those enrolled in the CoppeRx Card program.
- 1.3.1.7 Provide customer service to Arizona residents, including enrollment assistance, a toll-free telephone help line, dispute resolution process, and education about the CoppeRx Card program.
- 1.3.1.8 Provide management reports of internal monitoring, program costs, utilization, savings, and customer service.
- 1.3.1.9 Charge no administrative or other fees to AHCCCS or any other State agency.
- 1.3.1.10 Additional items and services that are prescription drug related may be offered to cardholders at no cost in addition to the enrollment fee.
- 1.3.1.11 Ensure a seamless transition of current CoppeRx Card members so that prescription services are not interrupted. Any enrollment fees must be waived for current CoppeRx Card members.

#### 1.4 Discounts and Rebates:

- 1.4.1 The successful contractor will have in place a mechanism that will allow participating retail pharmacies in the network to share in some of the revenue sources.
- 1.4.2 All discounts, rebates, and other pass through reimbursements secured for brand, generic, MAC priced, mail order, and extended retail supply drugs must be tracked and/or audited and reported by category to AHCCCS to determine if they reach estimated levels.

#### 1.5 Covered Drugs

- 1.5.1 Specific categories of drugs may be excluded from coverage, including injectables (except insulin and Imitrex); agents when used for anorexia, weight loss and weight gain; agents when used to promote fertility, agents when used for cosmetic purposes or hair growth; prescription vitamins and mineral products except prenatal vitamins and fluoride preparations; and non-prescription drugs.

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1.5.2 The successful contractor will have a mechanism in place to guarantee that members receive, for all prescription drugs included in the program (at point of sale) the lower of the discounted prices available, maximum allowable cost (MAC) or the pharmacy's usual and customary cash price.

1.5.3 The successful contractor will have in place procedures for enforcing and monitoring the prescription pricing for the CoppeRx Card program.

1.5.4 Therapeutic interchanges of prescription drugs initiated by the contractor may not result in dispensing a higher priced drug, irrespective of negotiated rebates.

1.6 Eligibility, Enrollment And Enrollment Fee:

1.6.1 All persons with a current valid Arizona address are eligible to enroll in the program.

1.6.2 The successful contractor will have in place a process for determining eligibility and enrollment of Arizona residents in the program, including the means to perform the enrollment.

1.6.3 A one-time initial enrollment fee may be charged for new members.


1.7 Pharmacy Network:

1.7.1 The successful contractor will develop and maintain a pharmacy provider network sufficient to ensure access to program services to all enrolled Arizona residents.

1.7.2 The contracted pharmacy network should meet the following minimum network requirements. For Maricopa and Pima Counties only, the minimum pharmacy network requirement is such that 95% of beneficiaries residing within the boundary area of metropolitan Phoenix and Tucson do not have to travel more than 5 miles to a network pharmacy. Outside the boundary area, 95% of beneficiaries must not have to travel more than 10 miles to a network pharmacy provider. Any deviation from these network requirements needs to be explained.

1.7.3 All changes in the pharmacy network reasonably expected to affect the ability to meet program requirements must be reported to AHCCCS thirty (30) days prior to the change.

1.7.3 At a minimum, the electronic point of sale claim adjudication system will verify eligibility and perform prospective drug utilization review, drug allergy, therapeutic duplication, contraindications, and high or low dosage edits.

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1.8 Mail Order/Extended Supply Pharmacy:

- 1.8.1 Mail order pharmacy (MOP) services may be offered in addition to the retail pharmacy provider network but may not be the sole network nor be used to estimate average discounts. Members may not be required to use the MOP service. Drug discounts offered through the MOP must be greater than discounts offered through the retail pharmacy network.
- 1.8.2 Members who choose a mail order service must have convenient access to qualified pharmacists for toll-free telephonic clinical consultation.
- 1.8.3 Extended medication supplies (90 days) may also be offered through the retail pharmacy network. Discounts for extended supplies must be greater than for non-extended supplies.

1.9 Customer service:


- 1.9.1 The successful contractor shall establish and maintain a toll-free customer service call center that is open during usual business hours in Mountain Standard Time (MST) and provides customer service in compliance with industry standards.
- 1.9.2 The successful contractor shall establish and maintain a customer complaint and resolution system to track and address, in a timely manner, member's complaints about any aspect of the program.

1.10 Information and Outreach:

- 1.10.1 The successful contractor shall develop and implement an Information and Outreach Program, to include communication materials, key messages and other materials, which will:
  - 1.10.1.1 Allow Arizona residents to make an informed decision about enrollment in the program.
  - 1.10.1.2 Describe any pharmacy services, in addition to the discount card program requirements, that will be offered without a fee.
- 1.10.2 All information, to include materials, advertisements, etc. shall have prior written approval by AHCCCS before distribution.
- 1.10.3 Development of a disease management and health promotion website is encouraged.

1.11 Program Reporting and Monitoring:

- 1.11.1 The successful contractor will have in place an internal performance-monitoring program for verification of discounts, enrollment operations, customer service, pharmacy network, and mail order or extended supply operations (if applicable).

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1.11.2 The successful contractor shall agree to disclose all rebate revenue sources related to drugs provided in this program. AHCCCS reserves the sole right to designate the entity responsible to conduct an audit of all records and activities related to this prescription drug discount card program.

1.12 Program Cards: The successful contractor shall design and, upon written approval by AHCCCS, print program cards including the CoppeRx logo.

1.13 Administrative and other fees:

1.13.1 No State-appropriated funds shall be used for the development, implementation, or administration of this program.

1.13.2 No administrative or other fees are to be charged to AHCCCS or any other State agency.

**2. Program Manager:** The Contractor shall designate and maintain at all times, a Program Manager. The Program Manager will be the main contact between AHCCCS and the contractor and will be responsible for the day-to-day activities of the Program. If the Program Manager is to be removed or replaced, the Contractor shall provide written notification to AHCCCS of the change.

**3. Business Continuity Plan:**

3.1 The successful contractor shall develop a Business Continuity Plan to deal with unexpected events that may affect its ability to perform these services. This plan shall, at a minimum, include planning and training for:

3.1.1 Closure/loss of a pharmacy;

3.1.2 Electronic/telephonic failure at the Contractor's main place of business;


3.1.3 Complete loss of use of the main place of business; and

3.1.4 Loss of primary computer system/records.

3.2 The Business Continuity Plan shall be updated annually. All key staff shall be trained and familiar with the Plan.


**4. Implementation Plan:**

4.1 The Contractor shall prepare an implementation plan that includes beginning full operations successfully by March 1, 2006. The implementation plan should be sufficiently detailed to enable AHCCCS to be satisfied that the work is to be performed in a logical sequence, in a timely manner, and with an efficient use of resources.

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4.2 A preliminary implementation plan and schedule will be submitted with the proposal, as described in Special Instructions to Offerors. The Contractor shall submit for the State's approval, a final work plan within five (5) business days of contract execution.

5. **Non-exclusive Contract:** Any contract resulting from this solicitation shall be awarded with the understanding and agreement that it is for the sole convenience of AHCCCS. The state reserves the right to obtain like goods or services from another source when necessary.
6. **No Guaranteed Quantities:** AHCCCS does not guarantee the Contractor any minimum or maximum quantity of services or goods to be provided under this contract.
7. **Confidentiality of Member Information:** The Contractor shall establish and maintain procedures and controls acceptable to AHCCCS to protect the privacy of members' information. The Contractor shall not sell or permit the use of any information concerning a member enrolled in the discount card program, other than aggregate information that does not identify the member without the member's written consent. Unless the contractor has the member's written consent, the Contractor shall not use any personally identifiable information obtained through this program to promote or sell a program, service, or product not related to the administration of this program.
8. **Health Insurance Portability and Accountability (HIPPA):** The Contractor shall comply with the Administrative Simplification requirements of Subpart F of the HIPAA of 1996 (Public Law 107-191, 110 Statutes 1936) and all Federal regulations implementing that Subpart that are applicable to the operations of the Contractor by the dates required by the implementing Federal regulations.

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**1. Pricing Schedule Instructions:**


- 1.1 Indicate whether the program will charge an annual enrollment fee and the amount of the fee.
- 1.2 Secondly, indicate the discounts for the drugs you intend to offer in the CoppeRx Card program. Each discount should be expressed as average wholesale price (AWP), minus a percentage discount as of September 1, 2005. Proposals using other established pricing references and reimbursement formulas may be considered.

**2. Proposed Contract Rates:**


- 2.1 The nonrefundable one-time enrollment fee that will be charged, if any: \$\_\_\_\_\_ per year, per enrollee

This enrollment fee shall remain fixed during the initial term of any resultant contract. Any change to the enrollment fee shall be negotiated at time of contract renewal.

- 2.2 The discount for brand drugs: \_\_\_\_\_%
- 2.3 The discount for MAC priced drugs: \_\_\_\_\_%
- 2.4 The discount for non-MAC priced generic drugs: \_\_\_\_\_%
- 2.5 The discount for mail order drugs: \_\_\_\_\_%
- 2.6 The discount for retail pharmacy extended supply drugs: \_\_\_\_\_%
- 2.7 Dispensing fee(s): \$\_\_\_\_\_

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1. **Definition of Terms:** As used in within this solicitation document, and any resultant contract, the terms listed below are defined as follows:
  - 1.1 “*AHCCCS*” means an Arizona Health Care Cost Containment System - managed health care program which pertains to health care services provided pursuant to A.R.S. 36-2903 et seq, and is also the name of the State agency.
  - 1.2 “*Contract*” means the combination of the Solicitation, including the Instructions to Offerors, Contract Terms and Conditions, Scope of Work; the Offer, any Best and Final Offers and any Solicitation Amendments or Contract Amendments; and any terms applied by law.
  - 1.3 “*Contract Amendment*” means a written document signed by the Contracting Officer that is issued for the purpose of making changes in the contract.
  - 1.4 “*Contracting Officer*” means the person duly authorized by AHCCCS to enter into and administer Contracts and make written determinations with respect to the Contract or his or her designee.
  - 1.5 “*Contractor*” means a person who has a contract with AHCCCS.
  - 1.6 “*Days*” means calendar days unless otherwise specified.
  - 1.7 “*Exhibit*” means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
  - 1.8 “*Gratuity*” means a payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
  - 1.9 “*May*” indicates something that is not mandatory but permissible.
  - 1.10 “*Offer*” means bid, proposal or quotation.
  - 1.11 “*Offeror*” means a vendor who responds to a Solicitation.
  - 1.12 “*Shall, Must*” indicates a mandatory requirement. Failure to meet these mandatory requirements may result in the rejection of a proposal as non-responsive.
  - 1.13 “*Should*” indicates something that is recommended but not mandatory. If the offeror fails to provide recommended information, the State may, at its sole option, ask the offeror to provide the information or evaluate the proposal without the information.
  - 1.14 “*Scope of Work*” means those provisions of this solicitation which specify the work and/or results to be achieved by the Contractor.

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- 1.15 *"Solicitation"* means an Invitation for Bids ("IFB"), a Request for Proposals ("RFP"), or a Request for Quotations ("RFQ").
- 1.16 *"Solicitation Amendment"* means a written document that is authorized by the Contracting Officer and issued for the purpose of making changes to the Solicitation.
- 1.17 *"Subcontract"* means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
- 1.18 *"State"* means the State of Arizona.

## 2. **Inquiries:**


- 2.1 **Duty to Examine:** It is the responsibility of each Offeror to examine the entire Solicitation, seek clarification in writing, and check its Offer for accuracy before submitting the Offer. Lack of care in preparing an Offer shall not be grounds for withdrawing the Offer after the Offer due date and time, nor shall it give rise to any Contract claim.
- 2.2 **Solicitation Contact Person:** Any inquiry related to a Solicitation, including any requests for or inquiries regarding standards referenced in the Solicitation, shall be directed solely to the Solicitation Contact Person. The Offeror shall not contact or direct inquiries concerning this Solicitation to any other State employee unless the Solicitation specifically identifies a person other than the Solicitation Contact Person as a contact.
- 2.3 **Submission of Inquiries:** The Solicitation Contact Person may require that an inquiry be submitted in writing. Any inquiry related to a Solicitation shall refer to the appropriate Solicitation number, page and paragraph. Do not place the Solicitation number on the outside of the envelope containing that inquiry, since it may then be identified as an Offer and not be opened until after the Offer due date and time.
- 2.4 **Timeliness:** Any inquiry shall be submitted as soon as possible or **by October 26, at 5:00 p.m. (MST), at the latest.** Failure to do so may result in the inquiry not being considered for a Solicitation Amendment.
- 2.5 **No Right to Rely on Verbal Responses:** Any inquiry that results in changes to the Solicitation shall be answered solely through a written Solicitation Amendment. An Offeror may not rely on verbal responses to its inquiries.

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- 2.6 Solicitation Amendments: The Solicitation shall only be modified by a Solicitation Amendment.
- 2.7 Pre-Proposal Conference: If a Pre-Proposal Conference has been scheduled under this Solicitation, the date, time and location shall appear on the Solicitation cover sheet or elsewhere in the Solicitation. An Offeror should raise any questions they may have about the Solicitation or the procurement at that time. An Offeror may not rely on any verbal responses to questions at the conference. Material issues raised at the conference that result in changes to the Solicitation shall be answered solely through a written Solicitation Amendment.
- 2.8 Persons With Disabilities: Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Solicitation Contact Person. Requests shall be made as early as possible to allow time to arrange the accommodation.

### 3. Offer Preparation:


- 3.1 Forms: No Facsimile or Telegraphic Offers: An Offer shall be submitted either on the forms provided in this Solicitation or their substantial equivalent. Any substitute document for the forms provided in this Solicitation will be legible and contain the same information requested on the forms. A facsimile, telegraphic, mailgram or electronic mail Offer shall be rejected.
- 3.2 Typed or Ink; Corrections: The Offer shall be typed or in ink. Erasures, interlineations or other modifications in the Offer shall be initialed in ink by the person signing the Offer. Modifications shall not be permitted after Offers have been opened except as otherwise provided under applicable law.
- 3.3 Evidence of Intent to be Bound: The Offer and Acceptance form within the Solicitation shall be submitted with the Offer and shall include a signature by a person authorized to sign the Offer. The signature shall signify the Offeror's intent to be bound by the Offer and the terms of the Solicitation and that the information provided is true, accurate and complete. Failure to submit verifiable evidence of an intent to be bound, such as an original signature, shall result in rejection of the Offer.
- 3.4 Exceptions to Terms and Conditions:
- 3.4.1 If offerors take any exception to any term, condition or requirement included in this solicitation document, such exception shall be submitted to the Contract Specialist **at least 10 days prior to the due date and time for receipt of proposals**. This will allow the Contract Specialist to review all exceptions and, if applicable, afford any approved exceptions to all other potential offerors.
- 3.4.2 If an offeror includes, in their proposal, exceptions, not covered by paragraph 3.4.1, above, such exceptions shall be null, void and without force and shall not be considered, and may negatively affect AHCCCS's proposal evaluation based on the published evaluation criteria or may result in rejection of the proposal.

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3.4.3 The Offeror's preprinted or standard terms will not be considered by AHCCCS as a part of any resulting Contract.

- 3.5 **Subcontracts:** Offeror should list any proposed subcontractors and the subcontractor's proposed responsibilities in the Offer.
- 3.6 **Cost of Offer Preparation:** AHCCCS will not reimburse any Offeror the cost of responding to a Solicitation.
- 3.7 **Solicitation Amendments:** Each Solicitation Amendment shall be signed with an original signature by the person signing the Offer, and shall be submitted no later than the Offer due date and time. Failure to return a signed copy of a material Solicitation Amendment may result in rejection of the Offer.
- 3.8 **Provision of Tax Identification Numbers:** Offerors are required to provide their Arizona Transaction Privilege Tax Number and/or Federal Tax Identification number, if applicable, in the space provided on the Offer and Acceptance Form.
- 3.9 **Federal Excise Tax:** The State of Arizona is exempt from certain Federal Excise Tax on manufactured goods. Exemption Certificates will be prepared upon request.
- 3.10 **Identification of Taxes in Offer:** If applicable, the State of Arizona is subject to all applicable state and local transaction privilege taxes. If Arizona resident Offerors do not indicate tax as a separate item in the offer, the State will conclude that the price(s) offered includes all applicable taxes.
- 3.11 **IRS W9 Form:** In order to receive payment under any resultant contract (if applicable), Contractor shall have a current IRS W9 Form on file with the State of Arizona.
- 3.12 **Disclosure:** If the firm, business or person submitting this Offer has been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity, including being disapproved as a subcontractor with any federal, state or local government, or if any such preclusion from participation from any public procurement activity is currently pending, the Offeror shall fully explain the circumstances relating to the preclusion or proposed preclusion in the Offer. The Offeror shall include a letter with its Offer setting forth the name and address of the governmental unit, the effective date of this suspension or debarment, the duration of the suspension or debarment, and the relevant circumstances relating to the suspension or debarment. If suspension or debarment is currently pending, a detailed description of all relevant circumstances including the details enumerated above shall be provided.
- 3.13 **Solicitation Order of Precedence:** In the event of a conflict in the provisions of this Solicitation, the following shall prevail in the order set forth below:

3.13.1 Special Terms and Conditions;

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3.13.2 Uniform Terms and Conditions

3.13.3 Statement or Scope of Work;

3.13.4 Specifications;

3.13.5 Attachments;

3.13.6 Exhibits;

3.13.7 Special Instructions to Offerors, and

3.13.8 Uniform Instructions to Offerors

3.14 Delivery: Unless otherwise stated in the Contract, all prices shall be F.O.B. Destination and shall include all delivery and unloading at the destination.

#### **4. Submission of Offer:**

4.1 Sealed Envelope or Package: Each Offer shall be submitted to the submittal location identified in this Solicitation, in a sealed envelope or package that identifies its contents as an Offer and the Solicitation number to which it responds. The appropriate Solicitation number shall be plainly marked on the outside of the envelope or package.


4.2 Offer Amendment or Withdrawal: An Offer may not be amended or withdrawn after the Offer due date and time except as otherwise provided under applicable law.

4.3 Public Record: Under applicable law, all Offers submitted and opened are public records and must be retained by AHCCCS. Offers shall be open to public inspection after Contract award, except for such portions of an Offer deemed to be confidential by AHCCCS.

4.4 Non-collusion, Employment, and Services: By signing the Offer and Acceptance Form or other official contract form, the Offeror certifies that:

4.4.1 It did not engage in collusion or other anti-competitive practices in connection with the preparation or submission of its Offer; and

4.4.2 It does not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, or disability, and that it complies with all applicable federal, state and local laws and Executive Orders regarding employment.


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**5. Evaluation:**


- 5.1 Unit Price Prevails: Where applicable, in the case of discrepancy between the unit price or rate and the extension of that unit price or rate, the unit price or rate shall govern.
- 5.2 Taxes. Arizona transaction privilege and use taxes shall not be considered when evaluating Offers.
- 5.3 Late Offers: An Offer submitted after the exact Offer due date and time shall be rejected.
- 5.4 Disqualification: The Offer of an Offeror who is currently debarred, suspended or otherwise lawfully prohibited from any public procurement activity shall be rejected.
- 5.5 Offer Acceptance Period: An Offeror submitting an Offer under this Solicitation shall hold its Offer open for the number of days from the Offer due date that is stated in the Solicitation. If the Solicitation does not specifically state a number of days for Offer acceptance, the number of days shall be ninety (90). If a Best and Final Offer is requested pursuant to a Request for Proposals, an Offeror shall hold its Offer open for ninety (90) days from the Best and Final Offer due date.
- 5.6 Waiver and Rejection Rights: Notwithstanding any other provision of the Solicitation, AHCCCS reserves the right to:
- 5.6.1 Waive any minor informality;
- 5.6.2 Reject any and all Offers or portions thereof; or
- 5.6.3 Cancel a Solicitation.

**6. Award:**


- 6.1 Number or Types of Awards: Where applicable, AHCCCS reserves the right to make multiple awards or to award a Contract by individual line items or alternatives, by group of line items or alternatives, or to make an aggregate award, whichever is deemed most advantageous to AHCCCS. If the Contracting Officer determines that an aggregate award to one Offeror is not in AHCCCS' best interest, "all or none" Offers shall be rejected.
- 6.2 Contract Inception: An Offer does not constitute a Contract nor does it confer any rights on the Offeror to the award of a Contract. A Contract is not created until the Offer is accepted in writing by the Contracting Officer's signature on the Offer and Acceptance Form. A notice of award or of the intent to award shall not constitute acceptance of the Offer.
- 6.3 Effective Date: The effective date of this Contract shall be the date that the Contracting Officer signs the Offer and Acceptance form or other official contract form, unless another date is specifically stated in the Contract.

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7. **Contract Applicability:** Any contract resulting from this solicitation shall be for the exclusive use of AHCCCS.
  
8. **Electronic Documents:** AHCCCS may provide an electronic version of this procurement document. Any unidentified alteration or modification to the original document (or to any Exhibit contained therein) issued by AHCCCS shall be null and void. In those instances where modifications are identified, the original document issued by the State shall take precedence.
  
9. **Proposal Opening:** Proposals shall be opened on the date and time, and at the place designated on the cover page of this document, unless amended in writing by the state agency issuing the solicitation.

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1. **Offeror's Contacts:** All questions concerning this Request for Proposal, including technical specifications, proposal process, etc. shall be directed to the Solicitation Contact Person, identified on the first page of this solicitation document. All questions shall be in writing and submitted either via e-mail (preferred) or telefax. Contact information is found on the front page of this document. Offerors may not contact AHCCCS employees concerning this solicitation.
  
2. **Exceptions to Terms and Conditions:**
  - 2.1 If offerors take any exception to any term, condition or requirement included in this solicitation document, such exception shall be submitted to the Contract Specialist **at least 10 days prior to the due date and time for receipt of proposals.** This will allow the Contract Specialist to review all exceptions and, if applicable, afford any approved exceptions to all other potential offerors.
  
  - 2.2 If an offeror includes, in their proposal, exceptions, not covered by paragraph 2.1, above, such exceptions shall be null, void and without force and shall not be considered, and may negatively affect AHCCCS' proposal evaluation based on the published evaluation criteria or may result in rejection of the proposal.
  
  - 2.3 The Offeror's preprinted or standard terms will not be considered by AHCCCS as a part of any resulting Contract.
  
3. **Confidential Information:** The offeror may declare any portion of a proposal, bid, offer, specification, protest or correspondence confidential if they believe it contains information that should be withheld. The Procurement Officer shall be so advised in writing. (Price is not confidential and will not be withheld.) Such materials shall be identified as confidential wherever it appears and will not be made available for public inspection.
  
4. **Evaluation Criteria:** Evaluation criteria are listed in the relative order of importance. The evaluation will be conducted in accordance with an established evaluation plan. The award(s) will be made to the responsible offeror whose proposal is determined to be the most advantageous to AHCCCS, based on the following criteria:
  - 4.1 Prescription Drugs Offered/Discounts/Enrollment Fee
  
  - 4.2 Scope of Work/Method of Approach/Implementation Plan
  
  - 4.3 Offeror Experience/Qualifications

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5. **Proposal Information:** Offeror is to submit their proposal with one (1) original and (4) copies (for a total of five (5) sets) in the format as contained in this RFP. **The original copy of the proposal should be clearly labeled “ORIGINAL.”** The material should be in sequence and related to the RFP. AHCCCS will not provide any reimbursement for the cost of developing or presenting proposals in response to this RFP. Failure to include the requested information may have a negative impact on the evaluation of the offeror's proposal. The proposal should include at least the following information.

5.1. **Prescription Drugs Offered/Discounts/Enrollment Fee:**

- 5.1.1 Indicate those drugs you intend to offer in the CoppeRx Card program and indicate the discount, expressed as average wholesale price (AWP), minus a percentage discount as of September 1, 2005. Proposals using other established pricing references and reimbursement formulas may be considered.
- 5.1.2 Describe the mechanism used to guarantee that Arizona residents receive for all prescription drugs included in the program (at the point of sale) the lower of the discounted price available, the MAC price, or the pharmacy's usual and customary best price.
- 5.1.3 Explain the procedures for enforcing and monitoring the prescription pricing for the CoppeRx Card program.
- 5.1.4 Indicate whether the program will charge an annual enrollment fee and the amount of the fee. This fee should be shown on page 10, "Enrollment Fee."


5.2 **Scope of Work/Method of Approach/Implementation Plan:**

- 5.2.1 Describe the rebates and/or discounts and all other sources of revenue secured with drug manufacturers, distributors, and/or labelers. Indicate the amount of manufacturer rebate and/or discount passed through to members.
- 5.2.2 Describe steps your organization will undertake so that the retail pharmacies participating in your network will share in some of these revenue sources.
- 5.2.3 Estimate the amount of discounts for brand, generic, MAC, mail order and extended retail supply drugs that will be passed through to members.
- 5.2.4 Describe how the discounts and the pass through to members will be tracked and/or audited and reported to AHCCCS to determine if they reach the estimated levels.
- 5.2.5 Certify that a contract exists with each manufacturer whose expected rebates/discounts are represented in the discount estimates.
- 5.2.6 Describe the process and time required for determining eligibility and enrolling Arizona residents in the program, including the means to perform the enrollment function (e.g., mail,


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telephone, facsimile, Internet, point of sale), maintain enrollment statistics, and provide re-enrollment notification.

- 5.2.7 Describe the steps to be used to protect members' individually identifiable information, including but not limited to;
  - 5.2.7.1 Intended use of data.
  - 5.2.7.2 Process for providing members with notice of intended uses of member information.
  - 5.2.7.3 Process for obtaining member written authorization for the use of such information and to permit a member to revoke that authorization.
  - 5.2.7.4 Implementation of a written security plan to assure members' protected information is secure from unauthorized use.
- 5.2.8 Provide a sample of the members' membership card incorporating the CoppeRx logo and describe its intended use, including procedures for replacement of a lost or destroyed card.
- 5.2.9 Indicate when enrollment of members can begin, prior to the effective date of full program implementation.
- 5.2.10 Describe any initiatives you propose to coordinate the CoppeRx Card program with any other prescription assistance programs, such as pharmaceutical manufacturer programs.
- 5.2.11 Describe how the pharmacy provider network will be developed and maintained sufficient to ensure access to program services by all enrolled Arizona residents.
- 5.2.12 Provide an Excel or MSWord file of all network pharmacies, including at a minimum the name and physical location of each pharmacy, and identifying all participating pharmacies as independent or chain pharmacies. Pharmacies that are part of an independent pharmacy buying group are not considered chain pharmacies.
- 5.2.13 Provide a detailed description of the pharmacy services offered by your network to those enrolled in the CoppeRx Card program, including how each service would be provided and monitored.
- 5.2.14 Demonstrate that the contracted pharmacy network meets the minimum network requirements in each Arizona County or border state community as described in the Scope of Work. Provide a detailed explanation of any deviation from the minimum network standards.

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- 5.2.15 Describe the electronic point of sale claims adjudication system that will at a minimum verify eligibility and perform concurrent drug utilization review, drug allergy, therapeutic duplication, contraindications, and high or low dosage edits.
- 5.2.16 Provide a copy of the standard network pharmacy contract for this program.
- 5.2.17 If your program includes a Mail Order Pharmacy (MOP), provide a description of the service and its operations indicating how MOP services will be monitored/audited. Include a list of drugs that will be available through the mail order program. Describe how drugs will be shipped to assure their quality in all Arizona climates.
- 5.2.18 Members who choose a mail order service must have convenient access to qualified pharmacists for toll-free telephonic clinical consultation. Describe how this service will be provided.
- 5.2.19 If your program includes a proposal to provided extended (90 day) supplies through the retail pharmacy network, provide a description of the service and its operations indicating how it will be monitored/audited.
- 5.2.20 Explain in detail your customer service operations.
- 5.2.21 Explain your customer complaint and resolution system to track and address members' complaints about any aspect of the program in a timely manner.
- 5.2.22 Describe your information and outreach efforts, including samples of the types of communication materials, key messages, how these materials will be developed, and the channels of communication to be used.
- 5.2.23 Describe how information and materials will be sufficient to allow members to make an informed decision about enrollment in the program.
- 5.2.24 Describe any pharmacy services in addition to the CoppeRx Card program requirements that will be offered without a fee.
- 5.2.25 Describe an internal performance-monitoring program for verification of discounts, enrollment operations, customer service, pharmacy network, and mail order and extended supply operations (if applicable).
- 5.2.26 Provide samples and a schedule of routine program reports for AHCCCS approval including:
- 5.2.26.1 Aggregate discounts negotiated and shared
  - 5.2.26.2 Enrollment statistics

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5.2.26.3 Customer service activities

5.2.26.4 Prescription drug utilization, costs, and savings

5.2.28 Confirm all costs of the program including development, implementation, and administration must be supported through manufacturer rebates/discounts, the annual enrollment fee, and/or other non-state supported sources and that no administrative or other fees are to be charged to AHCCCS or any other State agency.

5.2.29 Method of Approach:

5.2.29.1 Proposals will be evaluated based on the Offeror's distinctive plan for performing the requirements of this RFP. The Offeror should describe a logical progression of tasks and efforts, starting with the initial steps or tasks to be accomplished, and continuing until all proposed tasks are fully described. The language of the narrative (limit of 10 pages) should be straightforward and limited to facts, solutions to problems, and plans of proposed action.

5.2.29.2 The offeror should present a proposed method of satisfying the requirements of the Scope of Work as specified herein on a point by point basis. The method of approach should include a written narrative or other printed technique to demonstrate the offeror's ability to satisfy the Scope of Work.

5.2.29.3 The offeror should discuss any alternative methods and/or approaches that it would recommend for consideration. The offeror should identify the advantages and disadvantage of each approach discussed.


5.2.29.4 Describe procedures for transition of current CopperRx members to the expanded CoppeRx Card.

5.2.30 Implementation Plan: Each offeror should submit with their proposal a preliminary Implementation Plan. This preliminary Implementation Plan should address each task and effort as discussed in the offeror's Method of Approach.

5.3. Offeror Experience/Qualifications:

5.3.1 The offeror's experience and past performance will be evaluated on the extent of its success in managing and integrating work relevant to that defined in the Scope of Work. Therefore, the Offeror is advised to submit any and all information which documents successful and reliable experience in past performances as related to this RFP.

5.3.1.1 References: References should be verifiable and be able to comment on the offeror's related experience. The offeror should submit, at a minimum, three (3) professional services references which would demonstrate the offeror possesses an understanding


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and the experience in providing the required service. As these references may be checked, insure all information is current, and accurate. Exhibit A to this RFP is furnished for providing this information.


5.3.1.2 The offeror may submit any other pertinent information (limit of 5 pages) which would substantiate the offeror possesses the experience, expertise and capability to provide the required services.

5.3.2 Program Manager: The qualifications of the Program Manager the offeror proposes will be considered in the evaluation. Therefore, the offeror should submit a resume (limit of 3 pages) which includes detailed information related to the experience, technical expertise and qualifications of the proposed Program Manager.


6. **Additional Information**: The offeror may submit any other pertinent information which would substantiate the offeror has the experience, expertise and capability to provide the required services.
7. **Intent to Provide Certificate of Insurance**: The offeror should provide a statement that, if notified of contract award, it will submit to AHCCCS for review and acceptance, the applicable certificate/s of insurance as required within this RFP document, within five (5) business days of such notification.
8. **Offeror's Financial Disclosure**: The offeror should complete Exhibit B, "Offeror's Financial Disclosure."
9. **Offeror's Responsibility**: The offeror is cautioned that it is the offeror's sole responsibility to submit information related to the evaluation categories and that the State of Arizona is under no obligation to solicit such information if it is not included with the offeror's proposal. Failure of the offeror to submit such information may cause an adverse impact on the evaluation of the offeror's proposal.
10. **Discussions**: In accordance with R2-7-330, after the initial receipt of proposals, discussions may be conducted with offeror(s) who submit proposals determined to be reasonably susceptible of being selected for award. Award may be made without discussions; therefore, offers should be submitted complete and on most favorable terms.
11. **Additional Information for Submittal of Proposal**:
  - 11.1 It is the responsibility of each offeror to insure their proposal is delivered to AHCCCS by the due date and time. Allow for such contingencies as heavy traffic, weather, directions to submittal location, parking, common carriers not delivering as requested, etc. AHCCCS shall not accept late proposals past the due date and time.
  - 11.2 AHCCCS is not responsible for supplying boxes, envelopes, tape, etc. to offerors at time of proposal deliver.
  - 11.3 When submitting your proposal to AHCCCS, insure your company name and the Request for Proposal solicitation number is clearly marked on the outside of the envelope/package.

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12. **Value in Procurement:** Through the Governor’s Efficiency Review initiative the Value in Procurement Committee has been established. A major initiative of the VIP Committee is to aggregate specific procurements to increase efficiency and cut costs. The VIP Committee may designate and establish a statewide contract for these types of goods or services. At such time, this contract may not be extended beyond its current term, although additional contract extensions may still be available.

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1. **Advertising and Promotion of Contract:** The Contractor shall not advertise or publish information for commercial benefit concerning this contract without the prior written approval of the Contracting Officer.
2. **Amendments:** This Contract is issued under the authority of the Contracting Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract unless otherwise permitted by the Special Terms and Conditions. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by an unauthorized State employee or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.
3. **Arizona Law:** The law of Arizona applies to this contract including, where applicable, the Uniform Commercial Code, as adopted in the State of Arizona.
4. **Arizona Procurement Code:** The Arizona Procurement Code, A.R.S. Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code Title 2, Chapter 7, is a part of this Contract as if fully set forth in it.
5. **Assignment and Delegation:** The Contractor shall not assign any right nor delegate any duty under this contract without prior written approval of the Contracting Officer, who will not unreasonably withhold such approval.
6. **Audits and Inspections:**
  - 6.1 The Contractor shall comply with all provisions specified in A.R.S. 35-214 and 35-215 and AHCCCS policies and procedures relating to the audit of Contractor's records and the inspection of Contractor's facilities. Contractor shall fully cooperate with AHCCCS staff and allow them reasonable access to Contractor's staff, subcontractors, members, and records.
  - 6.2 At any time during the term of this contract, and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by AHCCCS and, where applicable, the federal government, to the extent that the books and records relate to the performance of the contract or subcontracts.
  - 6.3 AHCCCS and the federal government may evaluate through on-site inspection or other means, the quality, appropriateness and timeliness of services performed under this contract.
7. **Availability of Funds for the Next Fiscal Year:** Funds may not presently be available for performance under this Contract beyond the current fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current fiscal year until funds are made available for performance of this Contract. The State shall make reasonable efforts to secure such funds.

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8. **Cancellation for Conflict of Interest:** Pursuant to A.R.S. 38-511, AHCCCS may cancel this contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of AHCCCS is or becomes at any time, while the Contract or an extension of the Contract is in effect, an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation, unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. 38-511.
9. **Compliance with Applicable Laws:** The materials and services supplied under this Contract shall comply with all applicable federal, state and local laws, and the Contractor shall maintain all applicable license and permit requirements.
10. **Contract Claims:** All contract claims or controversies under this contract shall be resolved according to A.A.C. 22, Article 8 and rules adopted thereunder.
11. **Contract Order of Precedence:** In the event in the provisions of the contract, as accepted by AHCCCS and as they be amended, the following shall prevail in the order set forth below:
  - 11.1 Special Terms and Conditions;
  - 11.2 Uniform Terms and Conditions;
  - 11.3 Statement or Scope of Work;
  - 11.4 Specifications;
  - 11.5 Attachments;
  - 11.6 Exhibits;
  - 11.7 Documents, referenced or included in the solicitation.
12. **Contractor's Representations and Warranties:** All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.
13. **Delivery:** Unless stated otherwise in the contract, all prices shall be F.O.B. Destination and shall include all delivery and unloading at the destination.
14. **Exclusions:** Except as otherwise set forth in this Contract, there are no express or implied warranties of merchantability or fitness.

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15. **Fitness.** The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.
16. **Force Majeure:**
- 16.1 Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.
- 16.2 Force Majeure shall not include the following occurrences:
- 16.2.1 Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;
- 16.2.2 Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or
- 16.2.3 Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.
- 16.3 If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.
- 16.4 Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.

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17. **Gratuities:** The Contracting Officer may, by written notice to the Contractor, immediately terminate this contract if it determines that employment or a gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of AHCCCS for the purpose of influencing the outcome of the procurement or securing the contract, an amendment to the contract, or favorable treatment concerning the contract, including the making of any determination or decision about contract performance. The Contracting Officer, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the gratuity offered by the Contractor.
18. **Implied Contract Terms:** Each provision of law and any terms required by law to be in this contract are a part of this contract as if fully stated in it.
19. **Indemnification -- Patent and Copyright:** The Contractor shall defend, indemnify and hold harmless AHCCCS against any liability including costs and expenses for infringement of any patent, trademark or copyright arising out of contract performance or use by AHCCCS of materials furnished or work performed under this contract. The Contracting Officer shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph.
20. **Inspection/Testing:** The contractor agrees to permit access to its facilities, subcontractor facilities and the contractor's processes for producing the materials, at reasonable times for inspection of the materials covered under this contract. AHCCCS shall also have the right to test at its own cost the materials to be supplied under this contract. Neither inspection at the contractor's facilities nor testing shall constitute final acceptance of the materials. If AHCCCS determines non-compliance of the materials, the contractor shall be responsible for the payment of all costs incurred by AHCCCS for testing and inspection.
21. **IRS W9 Form:** In order to receive payment under any resulting contract, the contractor shall have a current IRS W9 Form on file with the State of Arizona.
22. **Liens:** The Contractor warrants that the materials supplied under this contract are free of liens.
23. **No Parole Evidence:** This contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any term used in this contract.
24. **No Waiver:** Either party's failure to insist on strict performance of any term or condition of the contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the non-conforming performance knows of the nature of the performance and fails to object to it.

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25. **Nonconforming Tender:** Materials supplied under this contract shall fully comply with the contract. The delivery of materials or a portion of the materials in an installment that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials, AHCCCS may terminate the contract for default under applicable termination clauses in the contract, exercise any of its rights and remedies under the Uniform Commercial Code or pursue any other right or remedy available to it.
26. **Non-Discrimination:** The Contractor shall comply with State Executive Order No. 99-4, which mandates that all persons, regardless of race, color, religion, sex, national origin or political affiliation, shall have equal access to employment opportunities, and all other applicable federal and state laws, rules and regulations, including the Americans with Disabilities Act. The Contractor shall take positive action to ensure that applicants for employment, employees, and persons to whom it provides service are not discriminated against due to race, creed, color, religion, sex, national origin or disability.
27. **Non-exclusive Remedies:** The rights and the remedies of AHCCCS under this contract are not exclusive.
28. **Notices:** Notices to the Contractor required by this Contract shall be made by the Contracting Officer to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to AHCCCS required by the Contract shall be made by the Contractor to the Contracting Officer. An authorized Contracting Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice and an amendment to the Contract shall not be necessary.
29. **Offshore Performance of Work Prohibited**  
Due to security and identity protection concerns, direct services under this contract shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply to indirect or “overhead” services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.
30. **Payments:** The Contractor shall be paid as specified in the Contract. Payment must comply with requirements of A.R.S. Title 35.
31. **Payment of Taxes by AHCCCS:** AHCCCS shall pay only the rate and/or amount of taxes identified in the Offer and in any resulting contract.
32. **Purchase Orders:** The contractor shall, in accordance with all terms and conditions of the contract, fully perform and shall be obligated to comply with all purchase orders received by the contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Contracting Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this contract.

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33. **Property of AHCCCS:** Any materials, including reports, computer programs and other deliverables, created under this contract are the sole property of AHCCCS. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the Contracting Officer.
34. **Records:** Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other records (“records”) relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records at no cost to the State.
35. **Relationship of Parties:** The Contractor under this contract is an independent contractor. Neither party to this contract shall be deemed to be the employee or agent of the other party to the contract.
36. **Risk of Loss:** The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.
37. **Right of Offset:** AHCCCS shall be entitled to offset against any amounts due the Contractor any expenses or costs incurred by AHCCCS concerning the Contractor's non-conforming performance or failure to perform the contract, including expenses, costs and damages described in the proceeding paragraphs.
38. **Right to Assurance:** If AHCCCS, in good faith, has reason to believe that the Contractor does not intend to perform or continue performing this contract, the Contracting Officer may demand in writing that the Contractor give a written assurance of intent to perform. The demand shall be sent to the Contractor by certified mail, return receipt required. Failure by the Contractor to provide written assurance within the number of days specified in the demand may, at the Contracting Officer's option, be the basis for terminating the contract.
39. **Severability:** The provisions of this contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the contract, which may remain in effect without the invalid provision, or application.
40. **State and Local Transaction Privilege Taxes:** AHCCCS is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect taxes from the buyer does not relieve the seller from its obligation to remit taxes.
41. **Stop Work Order:**
- 41.1 AHCCCS may, at any time, by written order to the Contractor, require the Contractor to stop all or any part of the work called for by this Contract for a period of ninety (90) days after the order is

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delivered to the Contractor, and for any further period to which the parties may agree. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.

41.2 If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Contracting Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.

**42. Subcontracts:** The contractor may, with the consent of the Contracting Officer, enter into written subcontract(s) for performance of certain of its functions under the contract. Subcontractors must be approved in writing by the Contracting Officer to the effective date of any subcontract.


42.1 No subcontract which the contractor enters into with respect to performance under the contract shall in any way relieve the contractor of any responsibility for performance of its duties.

42.2 The contractor shall give the Contracting Officer immediate notice in writing by certified mail of any action or suit filed and prompt notice of any claim made against the contractor by any subcontractor or vendor which in the opinion of the contractor may result in litigation related in any way to the contract with AHCCCS.

**43. Suspension or Debarment:** The Contracting Officer may, by written notice to the Contractor, immediately terminate this Contract if the Contracting Officer or the State determine that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body.

**44. Tax Indemnification:** The contractor and all subcontractors shall pay all federal, State and local taxes applicable to its operation and any persons employed by the contractor. Contractor shall, and require all subcontractors, to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal and/or State and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.

**45. Termination for Convenience:** The Contracting Officer reserves the right to terminate the contract in whole or in part at any time when in the best interests of AHCCCS without penalty or recourse. The Contracting Officer shall give written notice by certified mail, return receipt requested, to the Contractor of the termination at least ninety (90) days before the effective date of the termination. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the contract shall become the property of and be delivered to the Contracting Officer. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials


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accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R 2-7-701 shall apply.


**46. Termination for Default:**

- 46.1 The Contracting Officer reserves the right to terminate this contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or failure to take corrective action as required by the Contracting Officer to comply with the terms of the contract. If the Contractor is providing services under more than one contract with AHCCCS, the Contracting Officer may deem unsatisfactory performance under one contract to be cause to require the Contractor to provide assurance of performance under any and all other contracts. In such situations, the Contracting Officer reserves the right to seek remedies under both actual and anticipatory breaches of contract if adequate assurance of performance is not received. The Contracting Officer shall mail written notice of the termination and the reason(s) for it to the Contractor by certified mail, return receipt requested.
- 46.2 In the event the Contractor requests a hearing prior to termination, AHCCCS is required by the Balanced Budget Act of 1997 to oversee the operation of the Contractor entity through appointment of temporary management prior to the hearing.
- 46.3 Upon termination under this paragraph, all documents, data, and reports prepared by the Contractor under the contract shall become the property of and be delivered to the Contracting Officer on demand.
- 46.4 The Contracting Officer may, upon termination of this contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this contract. The Contractor shall be liable for any excess costs incurred by AHCCCS in procuring the materials or services in substitution for those due from the Contractor.

- 47. **Third Party Antitrust Violations:** The Contractor assigns to AHCCCS any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor toward fulfillment of this contract.

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1. **Assignment of Contract and Bankruptcy:** This contract is voidable and subject to immediate cancellation by the Contracting Officer upon Contractor becoming insolvent or filing proceedings in bankruptcy or assigning rights or obligations under this contract without the prior written consent of the Contracting Officer.
2. **Authority to Contract:** This contract is issued under the authority of the Contracting Officer who signed this contract. Changes to the contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by an unauthorized state employee or made unilaterally by the Contractor are violations of the contract and of applicable law. Such changes, including unauthorized written contract amendments, shall be void and without effect, and the Contractor shall not be entitled to any claim under this contract based on those changes.
3. **Choice of Forum:** The parties agree that jurisdiction over any action arising out of or relating to this contract shall be brought or filed in a court of competent jurisdiction located in the State of Arizona.
4. **Continuation of Performance Through Termination:** The contractor shall continue to perform, in accordance with the requirements of the contract, up to the date of termination, as directed in the termination notice.
5. **Conflict of Interest:** The Contractor shall not undertake any work that represents a potential conflict of interest, or which is not in the best interest of AHCCCS or the State without prior written approval by AHCCCS. The Contractor shall fully and completely disclose any situation that may present a conflict of interest. If the Contractor is now performing or elects to perform during the term of this contract any services for any AHCCCS health plan, provider or Contractor or an entity owning or controlling same, the Contractor shall disclose this relationship prior to accepting any assignment involving such party.
6. **Contract Cancellation (Immediate):** This contract is critical to AHCCCS and the State reserves the right to immediately cancel the whole or any part of this contract due to failure of the contractor to carry out any material obligation, term or condition of the contract. The Contracting Officer shall issue a written notice of default effective at once and not deferred by any interval of time. Default shall be for acting or failing to act in any of the following:
  - 6.1 The contractor provides material that does not meet the specifications of the contract;
  - 6.2 The contractor fails to adequately perform the services set forth in the specifications of the contract;

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- 6.3 The contractor fails to complete the work required or furnish the materials required within the time stipulated in the contract;
- 6.4 The contractor fails to make progress in the performance of the contract and/or gives the Contracting Officer reason to believe that the contractor will not or cannot perform to the requirements of the contract.
- 6.5 The Contracting Officer may resort to any single or combination of the following remedies:
  - 6.5.1 Cancel any contract;
  - 6.5.2 Reserve all rights or claims to damage for breach of any covenants of the contract;
  - 6.5.3 Perform any test or analysis on materials for compliance with the specifications of the contract. If the result of any test confirms a material non-compliance with the specifications, any reasonable expense of testing shall be borne by the contractor.
  - 6.5.4 In case of default, the Contracting Officer reserves the right to purchase materials or to complete the required work in accordance with the Arizona Procurement Code. The Contracting Officer may recover reasonable excess costs from the contractor by:
    - 6.5.4.1 Deduction from an unpaid balance;
    - 6.5.4.2 Collection against the bid and/or performance bond; or
    - 6.5.4.3 Any combinations of the above or any other remedies as provided by law.

7. **Contract Cancellation (10 Day):** The Contracting Officer reserves the right to cancel the whole or any part of this contract due to failure by the contractor to carry out any material obligation, term or condition of the contract. The Contracting Officer shall issue written notice to the contractor for acting or failing to act as in any of the following:

- 7.5.1 Cancel any contract;
- 7.5.2 Reserve all rights or claims to damage for breach of any covenant of the contract;

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7.5.3 Perform any test or analysis on materials for compliance with the specifications of the contract. If the result of any test confirms a material no-compliance with the specifications, any reasonable expense of testing shall be borne by the contractor;

7.5.4 In case of default, the Contracting Officer reserves the right to purchase materials, or to complete the required work in accordance with the Arizona Procurement Code. The Contracting Officer may recover reasonable excess costs from the contractor by;

7.5.4.1 Deduction from an unpaid balance;

7.5.4.2 Collection against the bid and/or performance bond; or

7.5.4.3 Any combination of the above or any other remedies as provided by law.

8. **Contract Disputes:** Contract disputes arising under A.R.S. § Title 36, Chapter 29 shall be adjudicated in accordance with AHCCCS Rules.

9. **Cooperation with other Contractors:** AHCCCS may award other contracts for additional work related to this contract and Contractor shall fully cooperate with such other contractors and AHCCCS employees or designated agents, and carefully fit its own work to such other contractors' work. Contractor shall not commit or permit any act which will interfere with the performance of work by any other contractor or by AHCCCS employees.


10. **Covenant Against Contingent Fees:** The Contractor warrants that no person or agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee. For violation of this warranty, the Contracting Officer shall have the right to annul this contract without liability.

11. **Contract:**


11.1 The contract between AHCCCS and the contractor shall consist of (1) the Request for Proposal (RFP) and any amendments thereto, and (2) the proposal submitted by the contractor in response to the RFP. In the event of a conflict in language between the two documents referenced, the provisions and requirements set forth and/or referenced in the RFP shall govern. However, AHCCCS reserves the right to clarify any contractual relationship in writing, and such written clarification shall govern in case of conflict with the applicable requirements stated in the RFP or the contractor's proposal. In all other matters not affected by the written clarification, if any, the RFP shall govern.

11.2 The contract shall be construed according to the laws of the State of Arizona.

12. **Effective Date:** The effective date of this contract shall be the date that the Contracting Officer signs the Offer and Award page of this document.

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13. **Employees of the Contractor:** All employees of the Contractor employed or in performance of work under this Contract shall be employees of the Contractor at all times and not of AHCCCS. The Contractor shall comply with the Social Security Act, Workers' Compensation laws and unemployment laws of the State of Arizona as well as federal, state and local legislation relevant to the Contractor's business.
14. **Health Insurance Portability and Accountability Act (HIPAA):** The Contractor shall comply with the Administrative Simplification requirements of Subpart F of the HIPAA of 1996 (Public Law 107-191, 110 Statutes 1936) and all federal regulations implementing that Subpart that are applicable to the operations of the Contractor by the dates required by the implementing Federal regulations.
15. **Incorporation by Reference:** This solicitation and all attachments and amendments, the Contractor's proposal, best and final offer accepted by the Contracting Officer, and any approved subcontracts are hereby incorporated by reference into the contract.
16. **Independent Contractor:** The contractor represents himself/herself to be an independent contractor offering such services to the general public and shall not represent himself/herself or his/her employees to be an employee of the State of Arizona and/or AHCCCS. Therefore, the contractor shall assume all legal and financial responsibility for taxes, FICA, employee fringe benefits, workers compensation, employee insurance, inc.
17. **Indemnification Clause:**  
Contractor shall indemnify, defend, save and hold harmless the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the State of Arizona.
- This indemnity shall not apply if the contractor or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.*
18. **Insurance Requirements:**  
Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract, are satisfied, insurance against claims for injury to

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persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

The *insurance requirements* herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, its agents, representatives, employees or subcontractors, and Contractor is free to purchase additional insurance.

18.1 **Minimum Scope And Limits Of Insurance:** Contractor shall provide coverage with limits of liability not less than those stated below.

18.1.1 **Commercial General Liability – Occurrence Form**

Policy shall include bodily injury, property damage, personal injury and broad form contractual liability coverage.

- General Aggregate \$2,000,000
- Products – Completed Operations Aggregate \$1,000,000
- Personal and Advertising Injury \$1,000,000
- Blanket Contractual Liability – Written and Oral \$1,000,000
- Fire Legal Liability \$ 50,000
- Each Occurrence \$1,000,000

18.1.1.1 The policy shall be endorsed to include the following additional insured language: ***“The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.”***


18.1.1.2 Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

18.1.2 **Automobile Liability**

Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

Combined Single Limit (CSL) \$1,000,000

The policy shall be endorsed to include the following additional insured language: **“The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to**

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**liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor.”**

**18.1.3. Worker's Compensation and Employers' Liability**

Workers' Compensation	Statutory
Employers' Liability	
Each Accident	\$ 500,000
Disease – Each Employee	\$ 500,000
Disease – Policy Limit	\$1,000,000

18.1.3.1 Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

18.1.3.2 This requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. 23-901, AND when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

**18.1.4 Professional Liability (Errors and Omissions Liability)**

Each Claim	\$1,000,000
Annual Aggregate	\$2,000,000


18.1.4.1 In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.

18.1.4.2 Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

18.1.4.3 The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Work of this contract.

**18.2 Additional Insurance Requirements:** The policies shall include, or be endorsed to include, the following provisions:

18.2.1. The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees wherever additional insured status is required such

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additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.

18.2.2 The Contractor's insurance coverage shall be primary insurance with respect to all other available sources.

18.2.3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

18.3. **Notice Of Cancellation:** Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the State of Arizona. Such notice shall be sent directly to AHCCCS, Contracts and Purchasing, 701 E. Jefferson St., MD 5700, Phoenix, AZ 85034, and shall be sent by certified mail, return receipt requested.


18.4. **Acceptability Of Insurers:** Insurance is to be placed with duly licensed or approved non-admitted insurers in the state of Arizona with an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

18.5 **Verification Of Coverage:** Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and endorsements are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Contract shall be sent directly to AHCCCS, Contracts and Purchasing, 701 E. Jefferson St., MD 5700, Phoenix, AZ 85034. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time.  
**DO NOT SEND CERTIFICATES OF INSURANCE TO THE STATE OF ARIZONA'S RISK MANAGEMENT SECTION.**

18.6 **Subcontractors:** Contractors' certificate(s) shall include all subcontractors as insureds under its policies **or** Contractor shall furnish to the State of Arizona separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.

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18.7 **Approval:** Any modification or variation from the *insurance requirements* in this Contract shall be made by the Department of Administration, Risk Management Section, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

18.8. **Exceptions:** In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance. If the contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

19. **Licenses:** Contractor shall maintain in current status all federal, state and local licenses and permits required for the operation of the business conducted by the contractor.

20. **Lobbying:** No funds paid to the contractor by the State, or interest earned thereon, shall be used for the purpose of influencing or attempting to influence an officer or employee of any federal or State agency, a member of the United States Congress or State Legislature, an officer or employee of a member of the United States Congress or State Legislature in connection with awarding of any federal or State contract, the making of any federal or State grant, the making of any federal or State loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any federal or State contract, grant, loan, or cooperative agreement. The contractor shall disclose if any funds other than those paid to the contractor by the State have been used or will be used to influence the persons and entities indicated above and will assist the State in making such disclosures to CMS.

21. **Other Contracts:** AHCCCS may undertake or award other contracts for additional or related work and the contractor shall fully cooperate with such contractors and state employees and carefully fit his own work to such additional work. The contractor shall not commit or permit any act which will interfere with the performance of work by any other contractor or by state employees. AHCCCS shall equitably enforce this section to all contractors to prevent the imposition of unreasonable burdens on any contractor.


22. **Subcontracts:** The contractor may enter into written subcontract(s) for performance of certain portions of the functions under the contract. Subcontractors must be approved, in writing, by the Contracting officer prior to the effective date of any subcontract.

22.1 No subcontract which the contractor enters into with respect to performance under the contract shall in any way relieve the contractor of any responsibility for performance of its duties.

22.2 The contractor shall give the Contracting Officer immediate notice, in writing by certified mail, of any action or suit filed and prompt notice of any claim made against the contractor by any subcontractor or vendor which, in the opinion of the contractor, may result in litigation related in any way to the contract with AHCCCS.

23. **Term of Contract and Option to Renew:**

23.1 The initial term of this contract shall be for two (2) initial years with three (3) one-year options to extend, not to exceed a total contracting period of five (5) years. The terms and conditions of any such

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contract extension shall remain the same as the original contract, as amended. Any contract extension, however, shall not affect the maximum contracting period of five years. All contract extensions shall be through contract amendment.

23.2 When the Contracting Officer issues an amendment to extend the contract, the provisions of such extension will be deemed to have been accepted 60 days after the date of mailing by the Contracting Officer, even if the extension amendment has not been signed by the Contractor, unless within that time the Contractor notifies the Contracting Officer in writing that it refuses to sign the extension amendment. If the Contractor provides such notification, the Contracting Officer will initiate contract termination proceedings.

23.3 If the Contractor chooses not to renew this contract, the Contractor may be liable for certain costs associated with the transition of its members to a different Contractor. If the Contractor provides the Contracting Officer written notice of its intent not to renew this contract at least 180 days before its expiration, this liability for transition costs may be waived by the Contracting Officer.


24. **Type of Contract:** Firm Fixed-Price.

25. **Warranty of Services:** The Contractor warrants that all services provided under this contract will conform to the requirements stated herein. AHCCCS' acceptance of services provided by the Contractor shall not relieve the Contractor from its obligations under this warranty. In addition to its other remedies, the Contracting Officer may, at the Contractor's expense, require prompt correction of any services failing to meet the Contractor's warranty herein. Services corrected by the Contractor shall be subject to all of the provisions of this contract in the manner and to the same extent as the services originally furnished.


26. **Augmentation of Services:**

26.1 During the course of this Contract, the Contract Officer may determine the need to augment various levels and identified skill-sets, including expanding position descriptions, creating new position descriptions and/or modifying existing position descriptions. Such identified needs may be based upon performance, pricing, availability and current business conditions.

26.2 The Contract Officer will re-issue specific portions of the RFP in the form of a supplemental solicitation to all, then registered vendors under the identified services. Through this re-issuance process, and if supplemental awards are issued, the Contract duration (initial Term and Amended Extensions) will run concurrently with the existing contracts.

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1. References should be verifiable and should be able to comment on the firm's related experience. The Offeror should submit a minimum of three (3) similar size and scope professional references for organizations your company has provided services. Each reference should provide at least the following information:
  - 1.1 Name, address and telephone number of Contracting Agency or Company;
  - 1.2 Contact Person who may be contacted for verification of all information submitted;
  - 1.3 Location of Services;
  - 1.4 Name of Program Manager;
  - 1.5 Start and completion date of work performed, and
  - 1.6 Detailed written narrative of the specific services performed.

	<b>Exhibit B- Offeror's Financial Disclosure</b>		<b>AHCCCS</b> Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
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**OFFEROR'S FINANCIAL DISCLOSURE**

*Instructions: Complete each item, using attachments where necessary. If attachments are used, indicate the item number and question being referenced as it appears below.*


	<u>YES</u>	<u>NO</u>
A. Does the Offeror's organization prepare a public annual financial statement?		
<b>If yes, is one available upon request?</b>	_____	_____
B. Is your organization audited by an independent auditor? If yes, answer 1 through 4.	_____	_____
1) How often are audits conducted? _____		
2) By whom are they conducted? _____		
3) Are management letters or internal controls issued by the auditing firm?	_____	_____
4) Does your organization have any uncorrected audit exceptions?	_____	_____
C. Are there any suits, judgments, tax deficiencies or claims pending against your organization? If yes, answer 1 and 2	_____	_____
1) What is the dollar amount? _____		
2) In which state(s)? _____		
D. Has the Offeror's organization ever gone through bankruptcy?	_____	_____

	<b>Exhibit C- Offeror's Checklist</b>		<b>AHCCCS</b> Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
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**Note to Prospective Offerors:** This Exhibit has been added to this RFP as a convenience to offerors. It is believed to be a complete listing of all submission requirements pursuant to this RFP. However, if a requirement is stated anywhere in the RFP text, yet does not appear in the Offeror's Checklist, the text statement takes precedence over the omission of that requirement in the Offeror's Checklist.

**Instructions:** Write your proposal's page number for each of these items in the right hand column.

Requirement #	Description:	RFP Page	Offeror's Page #
1	Offeror's Checklist completed (Exhibit C)	This Page	
2	Offer and Acceptance page completed	Page 3	
3	Pricing Schedule	Page 10	
4	Copies of proposal submitted as one (1) marked "Original" and four (4) copies	Page 19	
	<b>Proposal consists of the following:</b>		
5	<u>Prescription Drugs Offered, Discounts, Enrollment Fee</u> (all items included in #5.1)	Page 19	
6	<u>Scope of Work, Method of Approach, Implementation Plan</u> (all items included in #5.2)	Page 19	
7	<u>Offeror Experience/Qualifications</u>	Page 22	
8	• Related Past Experience	Page 22	
9	• Minimum of 3 References	Page 22	
10	• Qualifications of Program Manager	Page 23	
11	Any additional information (optional)	Page 23	
12	Statement of Intent to provide Certificate of Insurance	Page 23	
14	Offeror's Financial Disclosure (Exhibit B)	Page 23	
16	Signed First Sheet of Solicitation Amendment(s), if any issued	Amendment, if issued	

	<b>Certificate of Insurance</b>		<b>AHCCCS</b> Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
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Prior to commencing services under this contract, the contractor must furnish the state certification from insurer(s) for coverages in the minimum amounts as stated below. The coverages shall be maintained in full force and effect during the term of this contract and shall not serve to limit any liabilities or any other contractor obligations.

<b>Name and Address of Insurance Agency:</b>	<b>Company Letter:</b>	<b>Companies Affording Coverage:</b>
	A	
	B	
<b>Name and Address of Insured:</b>	C	
	D	

LIMITS OF LIABILITY MINIMUM - EACH OCCURRENCE		COMPANY LETTER	TYPE OF INSURANCE	POLICY NUMBER	DATE POLICY EXPIRES
Bodily Injury Per Person Each Occurrence Property Damage <b>OR</b> Bodily Injury and Property Damage Combined			Comprehensive General Liability Form Premises Operations Contractual Independent Contractors Products/Completed Operations Hazard Personal Injury Broad Form Property Damage Explosion & Collapse (If Applicable) Underground Hazard (If Applicable)		
Same as Above			Comprehensive Auto Liability Including Non-Owned (If Applicable)		
Necessary if underlying is not above minimum			Umbrella Liability		
Statutory Limits			Workmen's Compensation and Employer's Liability		
			Other		

State of Arizona and the Department named above are added as additional insured as required by statute, contract, purchase order, or otherwise requested. It is agreed that any insurance available to the named insured shall be primary of other sources that may be available.

It is further agreed that no policy shall expire, be canceled or materially changed to affect the coverage available to the state without thirty (30) days written notice to the State. This Certificate is not valid unless countersigned by an authorized representative of the insurance company.

Name and Address of Certificate Holder:

Date Issued:

Authorized Representative

**End of Solicitation YH06-0004 Document**